

SCHEDULE A

AN ANNUAL TABLE BUDGET AND SUPPORTING DOCUMENTATION OF EZINQOLENI MUNICIPALITY

FINAL ANNUAL BUDGET OF

Ezingoleni Municipality



2016/17 TO 2016/17

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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kl	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1. Mayor's Report

**SPEECH BY HIS WORSHIP THE MAYOR/SPEAKER OF EZINQOLENI MUNICIPALITY
ON THE OCCASION OF THE PRESENTATION OF REVENUE AND EXPENDITURE
ESTIMATES FOR THE 2016/2017 FINANCIAL YEAR, COUNCIL CHAMBERS.**

31 May 2016

Leaders of political parties represented on our Council;

Fellow Councillors;

Municipal Manager Mr. MN Mabece

Senior Managers

Members of staff;

Members of the media

Ladies and Gentlemen:

The council has developed programmes that sought to respect, protect, promote, and fulfil the rights of residents as outlined in the Bill of Rights. We developed, funded and implemented these programmes and plans to, among other things; deal with the challenges of poverty and unemployment. These challenges, together with the need to address the racial and gender imbalances that continue to characterise the communities we serve and the need to achieve the related goals of national reconciliation, building of better and sustainable communities and social transformation.

This council will continue with the implementation of rates as this is a function of Council, not a particular political party. It is assigned to municipalities by the Constitution of the Republic of South Africa and brought to effect by the Local Government Municipal Property Rates Act.

. This Budget has taken into account the views and comments of the public that was taken during the consultation process that was undertaken throughout Municipal area and the comments from the Provincial Treasury as the budget document was submitted to Provincial and National Treasury.

The entire budget process is directed by Section 21 of the Municipal Finance Management Act, No. 56 of 2003 which makes it incumbent on the Mayor to take responsibility for co-ordinating the preparation of the Medium Term Revenue and Expenditure Framework and the review of the Integrated Development Plan and budget-related policies. The Municipal Manager, the Chief Financial Officer, the Budget Steering Committee and the Budget and Treasury Office assist the

Mayor in developing and implementing the budget process. Ezinqoleni Municipality does not have municipal entities and however we contribute to UGU South Coast Tourism.

In the preparation of the Medium Term Revenue and Expenditure Framework the following factors were taken into account:

- The need to produce a balanced and credible Budget
- The challenge of delivering quality services
- Cost increases
- Tariff increases
- Debt recovery
- Asset management
- Borrowing levels

During the process of preparing the Medium Term Revenue and Expenditure Framework we were cognisant of the fact that tough decisions are necessary to ensure that Ezinqoleni Municipality successfully delivers on its programmes. This was necessitated by the challenges we face as a Municipality which include, but are not limited to the following:

- Urgent repairs and maintenance
- High service demands
- Strict budgetary controls
- Staff shortages
- High levels of poverty and unemployment
- Capital spending pressures to eradicate infrastructure backlogs

As a result of constraints on revenue, priority was given to protecting the poor from the worst impacts of the economic downturn, expediting spending on capital projects that are funded by conditional grants, supporting meaningful LED initiatives, especially those that encourage job creation and urgent repairs and maintenance necessary for Ezinqoleni Municipality.

The inflation rate used for calculating salary and wage increases for all employees, including Section 56 employees, is as 6 per cent cost of living increase.

The following priorities have been incorporated into the Table Budget for 2016/2017 and underpinning the Medium Term Revenue and Expenditure Framework as identified by the President of the Republic, His Excellency JG Zuma, during the State of the Nation Address and the subsequent National Budget review in 2012. In terms of the foregoing local government has an obligation to:

- Education
- Rural Development
- Improving the status of woman
- Criminal investigation
- Prioritise and shift resources
- Hold all staff members accountable, especially political office bearers
- Move towards effective implementation and decisive action, rather than debate
- Deliver increased and improved services in an efficient and caring manner

The National Budget Review 2012 state that local government must:

- Re-prioritise the budget and ensure that monies are moved from low-priority programmes to high-priority programmes
- Implement a new way of working to successfully deliver more services, efficiently, within a tight resource envelope
- Inculcate a performance culture, where people are held responsible for their actions
- Enforce clear and measurable outcomes that are related to key development priorities

The Medium Term Revenue and Expenditure Framework and the Integrated Development Plan are aligned with the KZN Provincial Growth and Development Strategy which strategy involves:

- Strengthening and building government to facilitate sustainable development, public participation in decision-making, implement performance-driven transformation and co-operative governance
- Improve and expand basic service delivery for a better quality of life for all
- Implement economic programmes to raise investments, increase exports and capitalise on provincial resources, strengths and synergies
- Create programmes to increase employment opportunities, access to finance, human capacity and skills development, that also addresses the challenges of the second economy
- Reduce poverty and increase vulnerable groups' access to social security nets and services
- Comprehensively address the spread of HIV/AIDS pandemic and the associated economic and social impacts
- To manage, preserve and enhance the natural environment and comprehensively address an environmental management system for sustainable development.

Ezinqoleni Municipality is one of the municipalities that make up the family of Ugu municipalities. Accordingly, the Medium Term Revenue and Expenditure Framework and the IDP have taken the strategic goals of the Ugu IDP into consideration, which include,

- Promoting investment and development
- Introducing incentives that attract development initiatives
- Establishing and promoting PPPs
- Preserving and protecting the natural environment
- Promoting cultural, community-based tourism and integrated tourism development
- Establishing co-operatives that maximise economic opportunities in the agricultural sector.

The Medium Term Revenue and Expenditure Framework is also informed by the following key IDP projects for the next 5 years:

- Planning and Development for Light Industry Development
- Implementation of the Land Use Management Systems (LUMS)
- Geographical Information Systems (GIS) Implementation (Phase 2)
- Development of the Ezinqoleni CBD Urban Design Framework
- Integrated Waste Management Project
- Development of a "Greening Ezinqoleni" Plan

I am pleased to report that Ezinqoleni Municipality continued to service its community and the construction of infrastructure..

Inqola yentuthuko is currently in the construction and renewal of Community halls, Roads and Sport field at the value of R 45 150 000

The budget 2016/17 that is presented today is made up as follows:

- The Total Budget amounts to R69, 8 million.
- The Operating Expenditure amounts to R55, 9 million. The Operating Budget reflects an overall surplus on operations of R 14.4 million
- The Capital Expenditure amounts to R 14, 7 million..

The Budget will be expended as follows:

A total of R1, 6 million has been earmarked for Economic Development and Planning, of which

- R 500 000 is budgeted for upgrades and maintenance of HCM council chamber
- R650 thousand for LED projects.

The municipality also budgeted R500 000 for MSCOA Project.

The municipality budgeted R1 481 for free basic services including free collection of refuse, free basic energy and free collection of refuse are the one of the free basic services provided by the municipality.

Other key items of the Municipal Services Capital Budget include:

	BUDGET
Community hall	R 9 902 000
Road infrastructure	R 3 500 000

- Community halls
- Roads and infrastructure

The Asset Management Committee held meetings during the current financial year. The Municipality recently undertook an extensive asset verification process. It must also be noted that, in accordance with the relevant regulations, the Fixed Asset Management Policy of Ezinqoleni is reviewed annually.

As part of the maintenance database for the poor, the indigent is reviewed annually. At present, all indigent customers qualify for free basic electricity. Indigent Support is financed from the Equitable Share grant funding. Ezinqoleni Municipality has an Indigent Policy in place, which also states that all indigent customers are required to register each year for free basic services. Application forms are available at Municipal Offices.

The Capital Budget focuses on the IDP objectives and Municipality's infrastructure needs. Due to limited resources the Municipality has to prioritise its spending.

For next financial year Capital Expenditure amounts to:

2016/17	2017/18	2018/19
14.7 million	15.5 million	17 million

The Capital Budget comprises of:

	2016/17	2017/18	2018/19
	R	R	R
Executive and Council	750 000	500 000	750 000
Budget and Treasury Office	250 000	500 000	250 000
Corporate Services	250 000	500 000	250 000
Technical & Community Services	13 402 000	14 039 000	14 840 000

The projected financing sources of the Capital Budget consist of:

	2016/17	2017/18	2018/2019
	R	R	R
Internal	1250 000	1 500 000	2 250 000
External			
Grants	13 403 000	15 539 000	17 090 000

The total planned Capital Expenditure amounts to R 14.7 million.

The municipality budgeted to receive income for secondment of our staff by Hibiscus Coast Municipality.

As the council of Ezinqoleni we will continue to craft policies, programmes and plans that will assist us to achieve the noble goal of a better life for all. Whatever the odds, we remain undeterred in our strategic objective to build sustainable and better communities. Together with our people we will make local government work better for all of us.

Thank you.

2. Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality is grants dependent and it is 100% rural with high poverty and very low employment rates. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes as to maintain sound financial stewardship.

National Treasury's MFMA Circular No. 78 and 79 were used to guide the compilation of the 2016/2017 Budget.

The municipality is carrying out section 93A of the Municipal Property Rates Amendment Act, (MPRA) on the in the financial system, the municipality is facing out PIS in accordance with section 93A of the MPRA.

The main challenges experienced during the compilation of the 2016/2017 Budget can be summarized as follows:

1. The ongoing difficulties in the national and local economy;
2. Lack and poorly maintained roads infrastructure;
3. The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities;
4. Dependency on government grants;
5. Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
6. Affordability of capital projects;

3. Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/2017 budget. Each table is accompanied by *explanatory notes*.

Table 1 MBRR Table A1 – Budget Summary

KZN215 Ezinqoleni - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	769	2,638	2,157	2,703	2,203	2,203	-	2,335	2,475	2,623
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	1,020	1,702	2,584	1,800	2,100	2,100	-	1,900	1,100	1,200
Transfers recognised - operational	31,196	33,110	39,876	50,283	50,283	50,283	-	51,570	49,159	52,940
Other own revenue	504	881	922	671	1,577	1,577	-	835	632	738
Total Revenue (excluding capital transfers and contributions)	33,488	38,331	45,539	55,457	56,162	56,162	-	56,640	53,365	57,501
Employee costs	10,201	11,545	12,675	14,743	16,231	16,231	-	15,667	16,607	17,604
Remuneration of councillors	2,814	3,010	3,293	3,663	3,663	3,663	-	3,802	4,030	4,313
Depreciation & asset impairment	11,416	9,268	10,361	10,395	10,895	10,895	-	11,558	12,136	12,743
Finance charges	15	1	-	60	100	100	-	66	73	80
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	784	993	1,360	910	1,700	1,700	-	1,481	1,569	1,666
Other expenditure	11,094	13,210	16,619	25,518	25,383	25,383	-	23,322	18,902	19,847
Total Expenditure	36,323	38,027	44,307	55,290	57,972	57,972	-	55,896	53,318	56,253
Surplus/(Deficit)	(2,835)	304	1,232	166	(1,810)	(1,810)	-	743	47	1,248
Transfers recognised - capital	14,556	15,750	13,505	14,367	15,367	15,367	-	13,402	14,039	14,840
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088
Capital expenditure & funds sources										
Capital expenditure	12,741	14,448	18,426	45,150	45,150	45,150	-	14,652	15,539	17,090
Transfers recognised - capital	13,496	14,448	13,505	14,367	14,367	14,367	-	13,402	14,039	14,840
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	4,921	30,783	30,783	30,783	-	1,250	1,500	2,250
Total sources of capital funds	13,496	14,448	18,426	45,150	45,150	45,150	-	14,652	15,539	17,090
Financial position										
Total current assets	28,898	38,527	45,332	43,563	27,350	27,350	-	40,756	51,372	65,188
Total non current assets	71,584	77,518	85,702	100,940	128,520	128,520	-	138,168	142,422	148,285
Total current liabilities	5,493	4,687	4,370	4,116	1,702	1,702	-	54	-	-
Total non current liabilities	1,465	1,497	2,157	1,984	2,157	2,157	-	2,309	2,540	2,794
Community wealth/Equity	93,524	109,861	124,507	140,552	151,091	151,091	-	176,561	191,254	210,678
Cash flows										
Net cash from (used) operating	21,443	23,616	22,427	25,353	27,689	27,689	-	25,238	26,139	29,159
Net cash from (used) investing	(12,711)	(14,836)	(18,448)	(45,150)	(45,150)	(45,150)	-	(14,652)	(15,539)	(17,090)
Net cash from (used) financing	(597)	(18)	546	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	27,892	36,624	41,149	20,093	23,513	23,513	-	34,099	44,700	56,768
Cash backing/surplus reconciliation										
Cash and investments available	27,862	36,624	40,974	41,254	23,513	23,513	-	34,099	44,700	56,768
Application of cash and investments	4,569	2,836	2,008	462	(4,413)	(4,413)	-	(4,852)	(5,822)	(8,314)
Balance - surplus (shortfall)	23,293	33,788	38,966	40,793	27,926	27,926	-	38,951	50,522	65,082
Asset management										
Asset register summary (WDV)	71,584	77,669	325	45,372	45,400	250	14,724	14,724	15,575	17,090
Depreciation & asset impairment	11,416	9,268	10,361	10,395	10,895	10,895	11,558	11,558	12,136	12,743
Renewal of Existing Assets	-	-	-	13,500	13,500	13,500	13,500	500	-	-
Repairs and Maintenance	360	732	1,438	2,900	2,600	2,600	3,885	3,885	4,250	4,580
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	763	763	763	-	-	809	857
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts noted by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 1. The operating surplus/deficit (after Total Expenditure)
 2. Capital expenditure is balanced by capital funding sources, of which
 1. Transfers recognised is reflected on the Financial Performance Budget;
 2. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 3. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was able to manage this aspect of its finances, and consequently its obligations are cash-backed.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**KZN215 Ezinqoleni - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		33,498	53,616	42,807	53,109	55,491	55,491	54,243	52,379	56,424
Executive and council		238	3,611	101	1,857	2,857	2,857	4,857	-	-
Budget and treasury office		31,148	6,257	42,405	51,027	51,523	51,523	48,896	52,114	56,154
Corporate services		2,111	43,748	302	225	1,111	1,111	490	265	270
<i>Community and public safety</i>		-	430	2,043	2,321	2,167	2,167	2,397	987	1,077
Community and social services		-	430	2,043	2,321	2,167	2,167	2,397	987	1,077
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14,548	-	14,194	14,367	14,367	14,367	13,402	14,039	14,840
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		14,548	-	14,194	14,367	14,367	14,367	13,402	14,039	14,840
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	48,045	54,046	59,044	69,797	72,025	72,025	70,042	67,404	72,341
Expenditure - Standard										
<i>Governance and administration</i>		31,842	35,081	39,095	48,201	51,018	51,018	49,327	48,296	50,917
Executive and council		4,170	1,184	6,616	10,701	10,701	10,701	9,796	10,045	10,838
Budget and treasury office		13,480	3,986	20,025	21,254	21,794	21,794	23,024	21,833	24,452
Corporate services		14,191	29,911	12,455	16,246	18,523	18,523	16,506	16,417	15,627
<i>Community and public safety</i>		797	1,100	2,535	4,003	3,253	3,253	4,238	2,553	2,770
Community and social services		505	733	2,047	3,303	3,153	3,153	3,488	2,223	2,407
Sport and recreation		284	269	476	500	-	-	450	-	-
Public safety		8	98	13	200	100	100	300	330	363
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3,287	1,538	1,941	1,900	2,100	2,100	1,600	1,725	1,808
Planning and development		540	602	1,064	900	1,100	1,100	650	825	908
Road transport		2,748	936	877	1,000	1,000	1,000	950	900	900
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		384	394	636	800	900	900	600	600	600
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		384	394	636	800	900	900	600	600	600
<i>Other</i>	4	58	63	100	110	121	121	131	144	159
Total Expenditure - Standard	3	36,368	38,176	44,307	55,014	57,392	57,392	55,896	53,318	56,253
Surplus/(Deficit) for the year		11,677	15,870	14,737	14,782	14,632	14,632	14,146	14,086	16,088

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN215 Ezinqoleni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Executive and council		238	3,611	101	1,857	2,857	2,857	4,857	–	–
Budget and Treasury office		31,148	6,257	42,405	51,027	52,373	52,373	48,896	52,114	56,154
Corporate Services		52	24,837	302	225	235	235	490	265	270
Technical and community services		16,607	19,404	16,237	16,691	16,561	16,561	15,799	15,026	15,917
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	48,045	54,109	59,044	69,800	72,025	72,025	70,042	67,404	72,341
Expenditure by Vote to be appropriated	1									
Executive and council		4,677	5,058	8,370	12,381	13,554	13,554	11,147	10,045	10,838
Budget and Treasury office		7,523	13,484	20,025	21,381	22,956	22,956	23,024	21,833	24,452
Corporate Services		9,734	14,188	8,582	10,680	11,304	11,304	11,159	11,734	10,650
Technical and community services		3,090	3,638	7,330	10,520	10,079	10,079	10,565	9,706	10,313
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	25,024	36,368	44,307	54,962	57,892	57,892	55,896	53,318	56,253
Surplus/(Deficit) for the year	2	23,021	17,741	14,737	14,837	14,133	14,133	14,146	14,086	16,088

KZN215 Ezinqoleni - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
Municipal governance and administration		33,498	53,616	42,807	53,109	55,491	55,491	54,243	52,379	56,424
Executive and council		238	3,611	101	1,857	2,857	2,857	4,857	-	-
Mayor and Council			-			-				
Municipal Manager		238	3,611	101	1,857	2,857	2,857	4,857		
Budget and treasury office		31,148	6,257	42,405	51,027	51,523	51,523	48,896	52,114	56,154
Corporate services		2,111	43,748	302	225	1,111	1,111	490	265	270
Human Resources		52	14,730	302	225	1,111	1,111	490	265	270
Information Technology										
Property Services										
Other Admin		2,060	29,018							
Community and public safety		-	430	2,043	2,321	2,167	2,167	2,397	987	1,077
Community and social services		-	430	2,043	2,321	2,167	2,167	2,397	987	1,077
Libraries and Archives			430	681	723	723	723	738	771	810
Museums & Art Galleries etc										
Community halls and Facilities										
Cemeteries & Crematoriums										
Child Care										
Aged Care										
Other Community										
Other Social				1,362	1,598	1,444	1,444	1,659	216	267
Sport and recreation										
Public safety		-	-	-	-	-	-	-	-	-
Police										
Fire										
Civil Defence										
Street Lighting										
Other										
Housing										
Health		-	-	-	-	-	-	-	-	-
Clinics										
Ambulance										
Other										
Economic and environmental services		14,548	-	14,194	14,367	14,367	14,367	13,402	14,039	14,840
Planning and development		-	-	-	-	-	-	-	-	-
Economic Development/Planning										
Town Planning/Building										
Licensing & Regulation										
Road transport		14,548	-	14,194	14,367	14,367	14,367	13,402	14,039	14,840
Roads		14,548		14,194	14,367	14,367	14,367	13,402	14,039	14,840
Public Buses										
Parking Garages										
Vehicle Licensing and Testing										
Other										
Environmental protection		-	-	-	-	-	-	-	-	-
Pollution Control										
Biodiversity & Landscape										
Other										
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Electricity Distribution										
Electricity Generation										
Water		-	-	-	-	-	-	-	-	-
Water Distribution										
Water Storage										
Waste water management		-	-	-	-	-	-	-	-	-
Sewerage										
Storm Water Management										
Public Toilets										
Waste management		-	-	-	-	-	-	-	-	-
Solid Waste										
Other		-	-	-	-	-	-	-	-	-
Air Transport										
Abattoirs										
Tourism										
Forestry										
Markets										
Total Revenue - Standard	2	48,045	54,046	59,044	69,797	72,025	72,025	70,042	67,404	72,341
Expenditure - Standard										
Municipal governance and administration		31,842	35,081	39,095	48,201	51,018	51,018	49,327	48,296	50,917
Executive and council		4,170	1,184	6,616	10,701	10,701	10,701	9,796	10,045	10,838
Mayor and Council			1,184							
Municipal Manager		4,170		6,616	10,701	10,701	10,701	9,796	10,045	10,838
Budget and treasury office		13,480	3,986	20,025	21,254	21,794	21,794	23,024	21,833	24,452
Corporate services		14,191	29,911	12,455	16,246	18,523	18,523	16,506	16,417	15,627
Human Resources		426	14,730	8,582	10,657	11,954	11,954	11,159	11,734	12,545
Information Technology		4								
Property Services										

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table4 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN215 Ezinqoleni - Table A4 Budgeted Financial Performance (revenue and expenditure)

ZINZISZ Equilibrium - Table A: Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	769	2,638	2,157	2,703	2,203	2,203	-	2,335	2,475	2,623
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		5	6	5	10	8	8		11	11	12
Interest earned - external investments		1,020	1,702	2,584	1,800	2,100	2,100		1,900	1,100	1,200
Interest earned - outstanding debtors			158		250	200	200		250	150	200
Dividends received											
Fines											
Licences and permits			0								
Agency services											
Transfers recognised - operational		31,196	33,110	39,876	50,283	50,283	50,283		51,570	49,159	52,940
Other revenue	2	499	717	869	411	1,369	1,369	-	574	471	526
Gains on disposal of PPE				48							
Total Revenue (excluding capital transfers and contributions)		33,488	38,331	45,539	55,457	56,162	56,162	-	56,640	53,365	57,501
Expenditure By Type											
Employee related costs	2	10,201	11,545	12,675	14,743	16,231	16,231	-	15,667	16,607	17,604
Remuneration of councillors		2,814	3,010	3,293	3,663	3,663	3,663		3,802	4,030	4,313
Debt impairment	3			-	165	165	165		584	619	656
Depreciation & asset impairment	2	11,416	9,268	10,361	10,395	10,895	10,895	-	11,558	12,136	12,743
Finance charges		15	1		60	100	100		66	73	80
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		892	1,196	930	1,258	1,158	1,158	-	1,000	1,100	1,210
Transfers and grants		784	993	1,360	910	1,700	1,700	-	1,481	1,569	1,666
Other expenditure	4, 5	10,202	12,346	15,689	24,095	24,060	24,060	-	21,738	17,184	17,981
Loss on disposal of PPE			(332)								
Total Expenditure		36,323	38,027	44,307	55,290	57,972	57,972	-	55,896	53,318	56,253
Surplus/(Deficit)		(2,835)	304	1,232	166	(1,810)	(1,810)	-	743	47	1,248
Transfers recognised - capital		14,556	15,750	13,505	14,367	15,367	15,367		13,402	14,039	14,840
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088
Taxation											
Surplus/(Deficit) after taxation		11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R70.0 million in 2016/2017.
2. Revenue to be generated from property rates is R 2.3 million in the 2016/17 financial year
3. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. Government grants are the main sources of the municipality's revenue since it totals to 95% which makes our municipality grants dependent.

Table 5 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN215 Ezinqoleni - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and Treasury office		-	-	-	-	-	-	-	-	-	-
Corporate Services		-	-	-	-	-	-	-	-	-	-
Technical and community services		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Executive and council		-	74	-	200	1,400	1,400	-	750	500	750
Budget and Treasury office		-	70	-	200	200	200	-	250	500	750
Corporate Services		-	10,172	-	650	650	650	-	250	500	750
Technical and community services		-	5,003	-	44,100	42,900	42,900	-	13,402	14,039	14,840
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	15,319	-	45,150	45,150	45,150	-	14,652	15,539	17,090
Total Capital Expenditure - Vote		-	15,319	-	45,150	45,150	45,150	-	14,652	15,539	17,090
Capital Expenditure - Standard											
Governance and administration		535	665	1,245	1,050	2,250	2,250	-	1,250	1,500	2,250
Executive and council		148	74	335	200	1,400	1,400	-	750	500	750
Budget and treasury office		249	70	217	200	200	200	-	250	500	750
Corporate services		138	521	693	650	650	650	-	250	500	750
Community and public safety		6,163	6,163	3,058	11,500	11,500	11,500	-	-	-	-
Community and social services		6,163	6,163	3,058	-	-	-	-	-	-	-
Sport and recreation		-	-	-	11,500	11,500	11,500	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		6,042	7,620	14,059	31,200	31,200	31,200	-	13,402	14,039	14,840
Planning and development		-	-	3,074	19,300	19,300	19,300	-	9,902	10,000	10,500
Road transport		6,042	7,620	10,985	11,900	11,900	11,900	-	3,500	4,039	4,340
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	65	1,400	200	200	-	-	-	-
Total Capital Expenditure - Standard	3	12,741	14,448	18,426	45,150	45,150	45,150	-	14,652	15,539	17,090
Funded by:											
National Government		13,496	12,882	13,505	14,367	14,367	14,367	-	13,402	14,039	14,840
Provincial Government		-	1,566	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	13,496	14,448	13,505	14,367	14,367	14,367	-	13,402	14,039	14,840
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	4,921	30,783	30,783	30,783	-	1,250	1,500	2,250
Total Capital Funding	7	13,496	14,448	18,426	45,150	45,150	45,150	-	14,652	15,539	17,090

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations there is no budget allocated since the municipality does not have multi-year capital projects.
3. Single-year capital expenditure has been appropriated at R14,7 million for the 2016/17 financial year
4. The single-year appropriations relate to expenditure that will be incurred in the specific budget year such as construction of access roads, construction of a sport fields, construction of community halls, and procurement of vehicles, plant and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. .
5. The capital programme is funded from capital and national grants and transfers and internally generated funds from current year surpluses. For 2016/17, capital transfers totals R13, 4 million and increases to R15,5 million by 2017/18.

Table 6 MBRR Table A6 - Budgeted Financial Position**KZN215 Ezingoleni - Table A6 Budgeted Financial Position**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		24,125	29,111	15,251	27,254	9,279	9,279		12,617	16,539	21,004
Call investment deposits	1	3,738	7,514	25,723	14,000	14,234	14,234	-	21,483	28,161	35,764
Consumer debtors	1	345	1,398	-	1,880	3,407	3,407	-	5,015	6,672	8,420
Other debtors		691	505	4,357	429	429	429		1,642	-	-
Current portion of long-term receivables											
Inventory	2										
Total current assets		28,898	38,527	45,332	43,563	27,350	27,350	-	40,756	51,372	65,188
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	71,464	77,387	85,377	100,718	128,270	128,270	-	138,096	142,386	148,285
Agricultural											
Biological											
Intangible		120	132	325	222	250	250		72	36	-
Other non-current assets											
Total non current assets		71,584	77,518	85,702	100,940	128,520	128,520	-	138,168	142,422	148,285
TOTAL ASSETS		100,482	116,045	131,034	144,503	155,870	155,870	-	178,925	193,794	213,473
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	27	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	5,466	4,687	4,370	2,132	1,702	1,702	-	54	-	-
Provisions					1,984						
Total current liabilities		5,493	4,687	4,370	4,116	1,702	1,702	-	54	-	-
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		1,465	1,497	2,157	1,984	2,157	2,157	-	2,309	2,540	2,794
Total non current liabilities		1,465	1,497	2,157	1,984	2,157	2,157	-	2,309	2,540	2,794
TOTAL LIABILITIES		6,958	6,184	6,527	6,100	3,859	3,859	-	2,363	2,540	2,794
NET ASSETS	5	93,524	109,861	124,507	138,403	152,011	152,011	-	176,561	191,254	210,678
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		93,524	109,861	124,507	140,552	151,091	151,091		176,561	191,254	210,678
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	93,524	109,861	124,507	140,552	151,091	151,091	-	176,561	191,254	210,678

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 1. Call investments deposits;
 1. Consumer debtors;
 2. Property, plant and equipment;
 3. Trade and other payables;
 4. Provisions non -current;
 5. Changes in net assets; and
 6. Reserves
7. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
8. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 7MBRR Table A7 - Budgeted Cash Flow Statement**KZN215 Ezinqoleni - Table A7 Budgeted Cash Flows**

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			1,102	3,424	839	2,027	2,027	2,027		1,751	2,189	2,736
Service charges					5	10	–	–		–	–	–
Other revenue					799	403	3,995	3,995		585	522	583
Government - operating		1	32,142	33,804	39,187	50,283	50,283	50,283		51,570	49,159	52,940
Government - capital		1	14,021	14,524	14,194	14,367	14,367	14,367		13,402	14,039	14,840
Interest			1,020	1,860	2,584	1,988	2,229	2,229		2,088	1,213	1,350
Dividends										–	–	–
Payments												
Suppliers and employees			(26,827)	(29,538)	(35,180)	(43,554)	(44,991)	(44,991)		(42,610)	(39,340)	(41,544)
Finance charges			(15)	(1)	0	(60)	(100)	(100)		(66)	(73)	(80)
Transfers and Grants		1	–	(457)		(110)	(121)	(121)		(1,481)	(1,569)	(1,666)
NET CASH FROM/(USED) OPERATING ACTIVITIES			21,443	23,616	22,427	25,353	27,689	27,689	–	25,238	26,139	29,159
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE					87					–	–	–
Decrease (Increase) in non-current debtors										–	–	–
Decrease (increase) other non-current receivables										–	–	–
Decrease (increase) in non-current investments										–	–	–
Payments												
Capital assets			(12,711)	(14,836)	(18,536)	(45,150)	(45,150)	(45,150)		(14,652)	(15,539)	(17,090)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(12,711)	(14,836)	(18,448)	(45,150)	(45,150)	(45,150)	–	(14,652)	(15,539)	(17,090)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										–	–	–
Borrowing long term/refinancing										–	–	–
Increase (decrease) in consumer deposits					546					–	–	–
Payments												
Repayment of borrowing			(597)	(18)						–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES			(597)	(18)	546	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD			8,134	8,762	4,525	(19,797)	(17,461)	(17,461)	–	10,586	10,600	12,069
Cash/cash equivalents at the year begin:		2	19,758	27,862	36,624	39,889	40,974	40,974		23,513	34,099	44,700
Cash/cash equivalents at the year end:		2	27,892	36,624	41,149	20,093	23,513	23,513	–	34,099	44,700	56,768

Table 8 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**KZN215 Ezinqoleni - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	27,892	36,624	41,149	20,093	23,513	23,513	-	34,099	44,700	56,768
Other current investments > 90 days		(30)	(0)	(175)	21,161	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		27,862	36,624	40,974	41,254	23,513	23,513	-	34,099	44,700	56,768
Application of cash and investments											
Unspent conditional transfers		2,186	1,814	1,866	170	170	170	-	54	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	2,383	1,022	143	292	(4,583)	(4,583)	-	(4,906)	(5,822)	(8,314)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		4,569	2,836	2,008	462	(4,413)	(4,413)	-	(4,852)	(5,822)	(8,314)
Surplus(shortfall)		23,293	33,788	38,966	40,793	27,926	27,926	-	38,951	50,522	65,082

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2016/17 budget has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the municipality is operating at a surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/17 budget is funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 budget the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 9 MBRR Table A9 - Asset Management

KZN215 Ezinqoleni - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	14,617	-	45,150	31,650	31,650	14,152	15,539	17,090
Infrastructure - Road transport		-	11,235	-	11,900	5,000	5,000	3,500	4,039	4,340
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	11,235	-	11,900	5,000	5,000	3,500	4,039	4,340
Community		-	2,439	-	30,800	24,200	24,200	9,902	10,000	10,500
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	880	-	2,450	2,450	2,450	750	1,500	2,250
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	63	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	13,500	13,500	13,500	500	-	-
Infrastructure - Road transport		-	-	-	6,900	6,900	6,900	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	500	-	-
Infrastructure		-	-	-	6,900	6,900	6,900	500	-	-
Community		-	-	-	6,600	6,600	6,600	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	11,235	-	18,800	11,900	11,900	3,500	4,039	4,340
Infrastructure - Road transport		-	11,235	-	18,800	11,900	11,900	3,500	4,039	4,340
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	500	-	-
Infrastructure		-	11,235	-	18,800	11,900	11,900	4,000	4,039	4,340
Community		-	2,439	-	37,400	30,800	30,800	9,902	10,000	10,500
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	880	-	2,450	2,450	2,450	750	1,500	2,250
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	63	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	14,617	-	58,650	45,150	45,150	14,652	15,539	17,090

ASSET REGISTER SUMMARY - PPE (WDV)	5								
Infrastructure - Road transport		29,636	34,904		11,900	11,900		3,500	4,039
Infrastructure - Electricity									
Infrastructure - Water									
Infrastructure - Sanitation									
Infrastructure - Other									
Infrastructure		29,636	34,904	-	11,900	11,900	-	3,500	4,039
Community		39,481	39,974		30,800	30,800		9,902	10,000
Heritage assets									
Investment properties		-	-	-	-	-	-	-	-
Other assets		2,346	2,658		2,450	2,450		1,250	1,500
Agricultural Assets		-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-
Intangibles		120	132	325	222	250	250	72	36
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	71,584	77,669	325	45,372	45,400	250	14,724	15,575
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>		11,416	9,268	10,361	10,395	10,895	10,895	11,558	12,136
<u>Repairs and Maintenance by Asset Class</u>	3	360	732	1,438	2,900	2,600	2,600	3,885	4,250
Infrastructure - Road transport		360	732	877	900	900	900	1,300	1,350
Infrastructure - Electricity		-	-	13	200	100	100	300	400
Infrastructure - Water		-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-
Infrastructure		360	732	889	1,100	1,000	1,000	1,600	1,700
Community		-	-	157	1,000	750	750	1,200	1,400
Heritage assets		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	391	800	850	850	1,085	1,430
TOTAL EXPENDITURE OTHER ITEMS		11,776	10,000	11,799	13,295	13,495	13,495	15,443	16,386
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	23.0%	29.9%	29.9%	3.4%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	129.9%	123.9%	123.9%	4.3%	0.0%
<i>R&M as a % of PPE</i>		0.5%	0.9%	1.7%	2.9%	2.0%	2.0%	2.8%	3.0%
<i>Renewal and R&M as a % of PPE</i>		1.0%	1.0%	443.0%	36.0%	35.0%	6428.0%	30.0%	27.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 percent of PPE. However due to the fact that there is a lack of infrastructure in the municipality, it does not meet the recommendation.

Table 10 MBRR Table A10 - Basic Service Delivery Measurement

KZN215 Ezinqoleni - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	600	600	600
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	600	600	600
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)					1,000,000	1,000,000	1,000,000	750	825	908
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	763	763	763	-	809	857
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	763	763	763	-	809	857

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy and refuse removal.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied by Eskom.
4. Currently there is no refuse removal in the municipality.

Part 2 – Supporting Documentation

Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

1. that the process followed to compile the budget complies with legislation and good budget practices;
2. that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
3. that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
4. that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2015. Key dates applicable to the process were:

1. **July 2015** – Prepare joint process plan for IDP, PMS and Budget and advertise draft IDFP review;
2. **August 2015**–Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
3. **September 2015**– Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
4. **October 2015** – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

5. **November 2015**—Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval
6. **December 2015** – Submit budget instructions and 2015 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);
7. **January 2016** - Council considers the 2015/2016 Mid-year Review and Adjustments Budget;
8. **February 2016**– Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of Table budget;
9. **March 2016** - Tabling in Council of the draft 2016/17 IDP and 2016/17 budget for public consultation;
10. **April 2016**– Public consultation;
11. **May 2016**–Draftisation of the 2016/17 IDP, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2016/17 Budget before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

12. Registration of community needs;
13. Compilation of departmental business plans including key performance indicators and targets;
14. Financial planning and budgeting process;
15. Public participation process;
16. Compilation of the SDBIP, and
17. The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 budget, based on the approved 2016/17 Budget, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 budget:

18. Municipality growth
19. Policy priorities and strategic objectives
20. Asset maintenance
21. Economic climate and trends (i.e. inflation)
22. Performance trends
23. The approved 2016/17 adjustments budget and performance against the SDBIP
24. Cash Flow Management Strategy
25. Debtor payment levels
26. Investment possibilities
27. The need for tariff increases versus the ability of the community to pay for services;
28. Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78 and 79 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The Table 2016/17 Budget as tabled before Council on 23 March 2016 for community consultation has been published on the municipality's website and hard copies has been made available at municipal offices and other community centres. In addition budget road shows will held in different municipal clusters. Inputs were also collected via suggestion box and e-mails.

All documents in the appropriate format (electronic and printed) will provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process during April. The applicable dates and venues were published in the local newspapers. Imbizo's will be held to further ensure transparency and interaction. Other stakeholders involved in the consultation will include churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will addressed, and where relevant considered as part of the Draftisation of the 2016/17 Budget.

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

29. Green Paper on National Strategic Planning of 2009;
30. Government Programme of Action;
31. Development Facilitation Act of 1995;
32. Provincial Growth and Development Strategy (GGDS);
33. National and Provincial spatial development perspectives;
34. Relevant sector plans such as transportation, legislation and policy;
35. National Key Performance Indicators (NKPIs);
36. Accelerated and Shared Growth Initiative (ASGISA);
37. National 2014 Vision;
38. National Spatial Development Perspective (NSDP) and
39. The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2016/17 Budget and further planning refinements that have directly informed the compilation of the budget:

Table 11 IDP Strategic Objectives

2016/17 Financial Year	
1.	Financial Viability
2.	Basic Service delivery and infrastructure
3.	Good governance and public participation
4.	Local economic Development
5.	Municipal transformation and institutional development
6.	Spatial analysis and environmental management

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2016/17 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 12MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN215 Ezinqoleni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Promote and enhance fight against poverty	Eradication of Poverty				831	1,048	1,430	1,430	1,430	1,565	706	1,678
Ensure sustainable financial viability				2,300	2,312	2,157	2,756	2,203	2,203	3,471	3,500	2,883
Ensure alignment and intergration of strategies, programmes and projects				33,004	35,792	53,380	51,270	51,270	51,270	51,603	49,159	52,940
Advance and facilitate provision of sustainable and productive infrastructure	Infrastructure Development			12,742	15,145	14,194	14,367	14,367	14,367	13,403	14,039	14,840

Table 13 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN215 Ezinqoleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Promote tolerance, perseverance, participation in development	Improved Ward Committees			–			495	495	495	400	440	484
Support access to land and land tenure improvement	Land use management			–	–		100	10	10	500	400	450
Create a sustainable physical environment	Safety environment for all			384	394		800	800	800	150	250	350
Promote and enhance development planning spatial planning and land use				50			320	320	320	300	330	363
Ensure development of human capital	Skills Development				105	29	400	400	400	340	374	411
Create an enabling environment for sustainable local economic development	Mobilisation of Private Sector Investment				602	1,064	900	1,200	1,200	750	825	908
Ensure alignment and intergration of strategies, programmes and projects				35,889	36,926	43,214	52,275	54,747	54,747	53,456	50,699	53,287

Table 14MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

40. Planning (setting goals, objectives, targets and benchmarks);
41. Monitoring (regular monitoring and checking on the progress against plan);
42. Measurement (indicators of success);
43. Review (identifying areas requiring change and improvement);
44. Reporting (what information, to whom, from whom, how often and for what purpose); and
45. Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

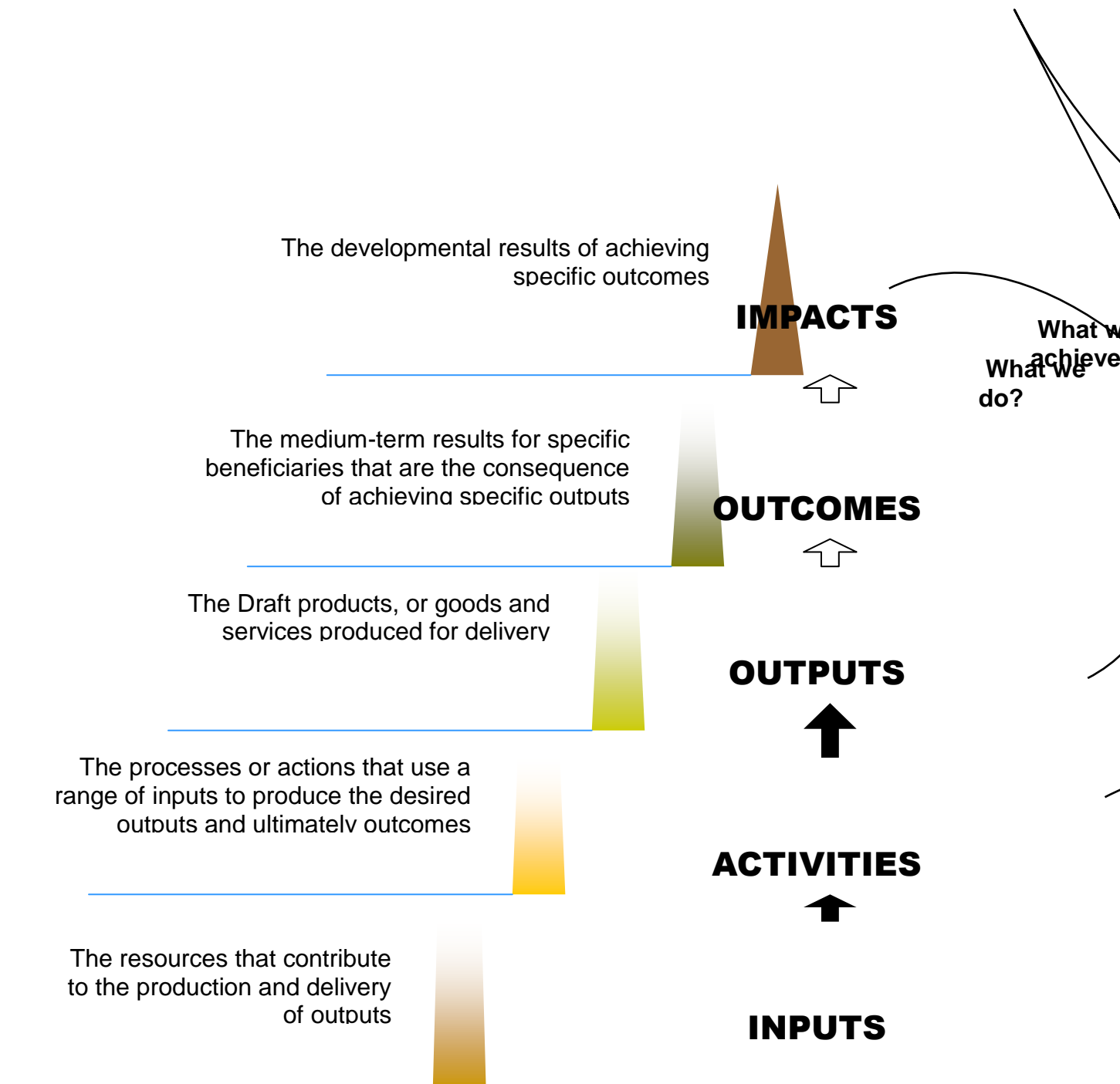


Figure 1 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 15 MBRR Table SA7 - Measurable performance objectives

KZN215 Ezingoleni - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Vote 1 - Technical and Community Services										
Function 1 - Road Infrastructure										
Sub-function- Road Construction										
Construction	Kilometer constructed	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Maintenance	Kilometer maintain	100.0%	100.0%	55.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Technical and Community services										
Housing	Number of Houses Built	6.0%	0.0%		100.0%	100.0%		100.0%	100.0%	100.0%
Maintenance of Street Light	Nmber of Street Lights		92.0%	10.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Technical and Community services										
Waste Management	Frequency of removal	10.0%		92.0%	70.0%	75.0%		80.0%	80.0%	80.0%
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Community Services										
New SportFields	Number	4.0%		50.0%	100.0%	80.0%		100.0%	100.0%	100.0%
Communiy Halls	Number	2.0%			100.0%	75.0%		100.0%	100.0%	100.0%
Community Services										
Maintenance of Halls	Number	2.0%	15.0%	65.0%	50.0%	50.0%		25.0%	25.0%	25.0%
Maintenance of SportFields	Number		10.0%		50.0%	50.0%		25.0%	25.0%	25.0%
Community Services										
Basic Energy	Number of Households Benefited	45.0%	95.0%	95.0%	100.0%	55.0%		100.0%	100.0%	100.0%
Insert measure/s description										
Governance and Administration										
Skills Training	Number	65.0%	70.0%	75.0%	100.0%	100.0%		100.0%	100.0%	100.0%
LED										
Support SMME's	Number	50.0%	50.0%	95.0%	70.0%	70.0%		80.0%	80.0%	80.0%
Function 2 - (name)										
Public Participation										
Community meetings	Number	95.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Property Rates										
Rates Receivables	Percentage									
Collection rate		75.0%	75.0%	75.0%	75.0%	75.0%		8500.0%	8500.0%	8500.0%
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Corporate Services										
HRM	Number	10.0%	10.0%	5.0%	10.0%	10.0%		10.0%	10.0%	10.0%
Recruitment										
Administrative services										
GOVERNANCE	Number	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17.

Table 16 MBRR Table SA8 - Performance indicators and benchmarks

KZN215 Ezinqoleni - Supporting Table SA8 Performance indicators and benchmarks

Table 1: Performance Indicators for the 2015/16 Financial Year											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	1.7%	0.0%	0.0%	0.1%	0.2%	0.2%	0.0%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	26.7%	0.4%	0.0%	1.2%	1.7%	1.7%	0.0%	1.3%	1.7%	1.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	5.3	8.2	10.4	10.6	16.1	16.1	–	754.7	–	–
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day s/current liabilities	5.3	8.2	10.4	10.6	16.1	16.1	–	754.7	–	–
Liquidity Ratio	Monetary Assets/Current Liabilities	5.1	7.8	9.4	10.0	13.8	13.8	–	631.5	–	–
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		143.4%	129.8%	39.1%	75.4%	92.0%	92.0%	0.0%	75.0%	88.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		143.4%	129.8%	39.1%	75.4%	92.0%	92.0%	0.0%	75.0%	88.4%	104.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	3.1%	5.0%	9.6%	4.2%	6.8%	6.8%	0.0%	11.8%	12.5%	14.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		11.8%	7.8%	6.1%	9.8%	6.5%	6.5%	0.0%	0.0%	0.0%	0.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.5%	30.1%	27.8%	26.6%	28.9%	28.9%	0.0%	27.7%	31.1%	30.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.1%	45.3%	41.7%	33.2%	34.9%	34.9%		34.4%	38.7%	38.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.1%	1.9%	3.2%	5.2%	4.6%	4.6%		6.9%	8.0%	8.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	34.1%	24.2%	22.8%	18.9%	19.6%	19.6%	0.0%	20.5%	22.9%	22.3%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	1.2	2.0	2.8	2.3	2.3	2.3	–	4.2	3.1	3.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	133.9%	72.0%	201.5%	85.1%	173.6%	173.6%	0.0%	283.8%	268.4%	319.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	18.4	20.3	20.1	7.9	8.6	8.6	–	13.1	17.4	20.8

KZN215 Ezinqoleni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population									53	53	53	53
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment									25	25	25	25
Monthly household income (no. of households)	1, 12											
No income								1,343	1,370	13,979	1,425	
R1 - R1 600								702	716	1,730	745	
R1 601 - R3 200								1,374	1,401	1,429	1,457	
R3 201 - R6 400								3,107	3,169	3,232	3,297	
R6 401 - R12 800								3,013	3,073	3,134	3,197	
R12 801 - R25 600								1,044	1,065	1,086	1,107	
R25 601 - R51 200								530	541	552	563	
R52 201 - R102 400								243	248	253	258	
R102 401 - R204 800								93	95	97	99	
R204 801 - R409 600								9	9	9	9	
R409 601 - R819 200								8	8	8	8	
> R819 200								6	6	6	6	
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area								53		55	56	56
Number of poor people in municipal area								22		24	24	24
Number of households in municipal area								11		15	16	16
Number of poor households in municipal area								9		11	12	12
Definition of poor household (R per month)												
Housing statistics	3											
Formal								10,646	13,646	13,700	19,930	22,930
Informal								826	540	11,400	5,400	2,400
Total number of households								11,472	14,186	25,100	25,330	25,330
Dwellings provided by municipality	4											
Dwellings provided by provincial								3,000	3,000	6,000	3,000	3,000
Dwellings provided by private sector	5							100				
Total new housing dwellings								3,100	3,000	6,000	3,000	3,000
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Overview of budget related-policies **BUDGET ASSUMPTION**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Asset Management policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure.

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council.

Review of Budget Policy

The Budget Policy is current under review and will be tabled together with the budget in May 2016. The Budget Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

Overview of budget assumptions

There are five key factors that have been taken into consideration in the compilation of the 2016/17 Budget:

- ✓ National Government macro economic targets;
- ✓ The general inflationary outlook and the impact on Municipality's residents and businesses;
- ✓ The impact of municipal cost drivers;
- ✓ The increase in the cost of remuneration.

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Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2016 and shall remain in force until 30 June 2018. Currently the increase of 7.6% has been provided for in the 2016/17 budget.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

46. Creating jobs;
47. Infrastructure development;
48. Enhancing education and skill development;
49. Improving Health services;
50. Rural development and agriculture; and
51. Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Budget assumptions

Assumptions used in preparation of the budget over the MTREF

Property rates	75%
Rental of facilities	100%
Interest earned in investment	100%
Transfers and Grants – operational	100%
Transfers and Grants – Capital	100%
Other revenue	100%
Interest on outstanding Debtors	75%
Expenditure	
Employee related cost	100%
Remuneration of councilors	100%
Debt impairment	100%
Depreciation and asset impairment	100%
Finance Charges	100%
Contracted services	100%
Transfers and Grants	100%
Other Expenditure	100%

Overview of budget funding

Ezinqoleni Municipality mainly depends on government grants and subsidies.

Operational grants and subsidies amount to R51.6 million, for 2016/17 budget

.

The tables below provide d investment information and investment particulars by maturity.

Table 17MBRRSA15 – Detail Investment Information

KZN215 Ezinqoleni - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		3,738			14,000	14,234	14,234	10,000	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	3,738	-	-	14,000	14,234	14,234	10,000	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		3,738	-	-	14,000	14,234	14,234	10,000	-	-

Table 18MBRR SA16 – Investment particulars by maturity

Choose name from list - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
FNB		Yes	Fixed	yes	4.85	0	0	On Call		9,385				9,385
FNB		Yes	Fixed	yes	4.85	0	0	On Call		5,079				5,079
FNB		Yes	Fixed	yes	4.85	0	0	On Call		24,721				24,721
NEDBANK		Yes	Fixed	yes	4.8	0	0	On Call		2,369				2,369
NEDBANK		Yes	Fixed	yes	4.8	0	0	On Call		963		(81)		882
NEDBANK		Yes	Fixed	yes	4.8	0	0	On Call		940				940
ABSA		Yes	Fixed	yes	4.8	0	0	On Call		260		(33,636)		(33,376)
Municipality sub-total										43,716		(33,717)	-	10,000
Entities														
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									43,716		(33,717)	-	10,000

The Municipality's capital budget is funded by the Municipal Infrastructure Grant and the surplus for Equitable share.

The Municipal Infrastructure Grant for the 2016/17 budget is 13.4 million.

Table19MBRR Table SA 18 - Capital transfers and grants receipts

KZN215 Ezinqoleni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		28,336	33,020	38,284	49,560	49,560	49,560	50,832	48,388	52,130
Local Government Equitable Share		26,036	29,480	34,499	43,543	43,543	43,543	42,584	46,480	50,222
Finance Management		1,500	1,650	1,800	1,800	1,800	1,800	1,826	1,908	1,908
Municipal Systems Improvement		800	890	932	930	930	930			
EPWP Incentive		-	1,000	1,053	1,430	1,430	1,430	1,565		
Municipal D T G		-	-		1,857	1,857	1,857	4,857		
Provincial Government:		546	784	661	723	723	723	738	771	810
Sport and Recreation			150							
Art and Culture		346		661	723	723	723	559	583	613
Coperative Governance and Traditional affairs		200	120							
Excellent Awards Grant			514					179	188	197
Community Library Grant										
District Municipality:		-	-	326	-	-	-	-	-	-
Disaster Management Grant				326						
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	28,882	33,804	39,271	50,283	50,283	50,283	51,570	49,159	52,940
Capital Transfers and Grants										
National Government:		13,496	13,474	14,987	14,367	14,367	14,367	13,402	14,039	14,840
Municipal Infrastructure Grant (MIG)		13,496	13,474	13,987	14,367	14,367	14,367	13,402	14,039	14,840
Excellence Award				1,000						
Provincial Government:		525	-	-	-	-	-	-	-	-
Small Town Grant and Sport and Recreation Grant		525								
District Municipality:		-	-	-	-	-	-	-	-	-
Disaster Management Grant										
Other grant providers:		-	-	-	-	-	-	-	-	-
Excellent Awards Grant										
Total Capital Transfers and Grants	5	14,021	13,474	14,987	14,367	14,367	14,367	13,402	14,039	14,840
TOTAL RECEIPTS OF TRANSFERS & GRANTS		42,903	47,278	54,258	64,650	64,650	64,650	64,972	63,198	67,780

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

52. Clear separation of receipts and payments within each cash flow category;
53. Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
54. Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table20 MBRR Table A7 - Budget cash flow statement

KZN215 Ezingoleni - Table A7 Budgeted Cash Flows

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			1,102	3,424	839	2,027	2,027	2,027		1,751	2,189	2,736
Service charges					5	10	-	-		-	-	-
Other revenue					799	403	3,995	3,995		585	522	583
Government - operating		1	32,142	33,804	39,187	50,283	50,283	50,283		51,570	49,159	52,940
Government - capital		1	14,021	14,524	14,194	14,367	14,367	14,367		13,402	14,039	14,840
Interest			1,020	1,860	2,584	1,988	2,229	2,229		2,088	1,213	1,350
Dividends										-	-	-
Payments												
Suppliers and employees			(26,827)	(29,538)	(35,180)	(43,554)	(44,991)	(44,991)		(42,610)	(39,340)	(41,544)
Finance charges			(15)	(1)	0	(60)	(100)	(100)		(66)	(73)	(80)
Transfers and Grants		1	-	(457)		(110)	(121)	(121)		(1,481)	(1,569)	(1,666)
NET CASH FROM/(USED) OPERATING ACTIVITIES			21,443	23,616	22,427	25,353	27,689	27,689	-	25,238	26,139	29,159
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE					87					-	-	-
Decrease (Increase) in non-current debtors										-	-	-
Decrease (increase) other non-current receivables										-	-	-
Decrease (increase) in non-current investments										-	-	-
Payments												
Capital assets			(12,711)	(14,836)	(18,536)	(45,150)	(45,150)	(45,150)		(14,652)	(15,539)	(17,090)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(12,711)	(14,836)	(18,448)	(45,150)	(45,150)	(45,150)	-	(14,652)	(15,539)	(17,090)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing										-	-	-
Increase (decrease) in consumer deposits					546					-	-	-
Payments												
Repayment of borrowing			(597)	(18)						-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES			(597)	(18)	546	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD			8,134	8,762	4,525	(19,797)	(17,461)	(17,461)	-	10,586	10,600	12,069
Cash/cash equivalents at the year begin:		2	19,758	27,862	36,624	39,889	40,974	40,974		23,513	34,099	44,700
Cash/cash equivalents at the year end:		2	27,892	36,624	41,149	20,093	23,513	23,513	-	34,099	44,700	56,768

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

55. What are the predicted cash and investments that are available at the end of the budget year?
56. How are those funds used?
57. What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN215 Ezinqoleni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	27,892	36,624	41,149	20,093	23,513	23,513	-	34,099	44,700	56,768
Other current investments > 90 days		(30)	(0)	(175)	21,161	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		27,862	36,624	40,974	41,254	23,513	23,513	-	34,099	44,700	56,768
Application of cash and investments											
Unspent conditional transfers		2,186	1,814	1,866	170	170	170	-	54	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	2,383	1,022	143	292	(4,583)	(4,583)	-	(4,906)	(5,822)	(8,314)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		4,569	2,836	2,008	462	(4,413)	(4,413)	-	(4,852)	(5,822)	(8,314)
Surplus(shortfall)		23,293	33,788	38,966	40,793	27,926	27,926	-	38,951	50,522	65,082

Funding compliance measurement

KZN215 Ezinqoleni Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	27,892	36,624	41,149	20,093	23,513	23,513	-	34,099	44,700	56,768
Cash + investments at the yr end less applications - R'000	18(1)b	2	23,293	33,788	38,966	40,793	27,926	27,926	-	38,951	50,522	65,082
Cash year end/monthly employee/supplier payments	18(1)b	3	18.4	20.3	20.1	7.9	8.6	8.6	-	13.1	17.4	20.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	11,722	16,054	14,737	14,533	13,557	13,557	-	14,145	14,086	16,088
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	237.2%	(24.2%)	19.3%	(24.5%)	(6.0%)	(106.0%)	(0.0%)	(0.0%)	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	86.6%	97.3%	54.2%	72.3%	159.4%	159.4%	0.0%	73.7%	87.3%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	6.1%	7.5%	7.5%	0.0%	25.0%	25.0%	25.0%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	96.8%	0.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	83.7%	129.0%	(47.0%)	66.2%	0.0%	(100.0%)	73.5%	0.2%	26.2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.5%	0.9%	1.7%	2.9%	2.0%	2.0%	0.0%	2.8%	3.0%	3.1%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	29.9%	29.9%	29.9%	0.0%	3.4%	0.0%	0.0%

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a	243.2%	(18.2%)	25.3%	(18.5%)	0.0%	(100.0%)	6.0%	6.0%	6.0%	
% incr Property Tax	18(1)a	243.2%	(18.2%)	25.3%	(18.5%)	0.0%	(100.0%)	6.0%	6.0%	6.0%	
% incr Service charges - electricity revenue	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - water revenue	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - sanitation revenue	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr in Service charges - other	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a	769	2,638	2,157	2,703	2,203	2,203	–	2,335	2,475	2,623
Service charges		769	2,638	2,157	2,703	2,203	2,203	–	2,335	2,475	2,623
Property rates		769	2,638	2,157	2,703	2,203	2,203	–	2,335	2,475	2,623
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–
Service charges - refuse removal		–	–	–	–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		5	6	5	10	8	8	–	11	11	12
Capital expenditure excluding capital grant funding		(13,496)	872	(13,505)	30,783	30,783	30,783	–	1,250	1,500	2,250
Cash receipts from ratepayers	18(1)a	1,102	3,424	1,643	2,440	6,022	6,022	–	2,336	2,711	3,318
Ratepayer & Other revenue	18(1)a	1,272	3,518	3,031	3,374	3,779	3,779	–	3,170	3,106	3,361
Change in consumer debtors (current and non-current)		2,267	867	2,455	(2,048)	(521)	(521)	(4,357)	4,348	15	1,748
Operating and Capital Grant Revenue	18(1)a	45,753	48,860	53,380	64,650	65,650	65,650	–	64,972	63,198	67,780
Capital expenditure - total	20(1)(vi)	–	15,319	–	45,150	45,150	45,150	–	14,652	15,539	17,090
Capital expenditure - renewal	20(1)(vi)	–	–	–	13,500	13,500	13,500	–	500	–	–
Supporting benchmarks											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY											
DoRA capital grants total MFY											
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/adv ised national, provincial and district grants									–	–	–
Average annual collection rate (arrears inclusive)											
DoRA operating											
List operating grants											
									–	–	–
DoRA capital											
List capital grants											
									–	–	–
Trend											

Total Operating Revenue			33,488	38,331	45,539	55,457	56,162	56,162	–	56,640	53,365	57,501
Total Operating Expenditure			36,323	38,027	44,307	55,290	57,972	57,972	–	55,896	53,318	56,253
Operating Performance Surplus/(Deficit)			(2,835)	304	1,232	166	(1,810)	(1,810)	–	743	47	1,248
Cash and Cash Equivalents (30 June 2012)										34,099		
Revenue												
% Increase in Total Operating Revenue				14.5%	18.8%	21.8%	1.3%	0.0%	(100.0%)	0.9%	(5.8%)	7.7%
% Increase in Property Rates Revenue				243.2%	(18.2%)	25.3%	(18.5%)	0.0%	(100.0%)	6.0%	6.0%	6.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				243.2%	(18.2%)	25.3%	(18.5%)	0.0%	(100.0%)	6.0%	6.0%	6.0%
Expenditure												
% Increase in Total Operating Expenditure				4.7%	16.5%	24.8%	4.9%	0.0%	(100.0%)	(3.6%)	(4.6%)	5.5%
% Increase in Employee Costs				13.2%	9.8%	16.3%	10.1%	0.0%	(100.0%)	(3.5%)	6.0%	6.0%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					226330.9286	189018.7821				252699.9839		
Average Cost Per Councillor (Remuneration)					299369.3636	333040.4545				345656.8182		
R&M % of PPE			0.5%	0.9%	1.7%	2.9%	2.0%	2.0%		2.8%	3.0%	3.1%
Asset Renewal and R&M as a % of PPE			1.0%	1.0%	443.0%	36.0%	35.0%	6428.0%		30.0%	27.0%	27.0%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	6.1%	7.5%	7.5%	0.0%	25.0%	25.0%	25.0%
Capital Revenue												
Internally Funded & Other (R'000)			–	–	4,921	30,783	30,783	30,783	–	1,250	1,500	2,250
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			13,496	14,448	13,505	14,367	14,367	14,367	–	13,402	14,039	14,840
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			100.0%	100.0%	73.3%	31.8%	31.8%	31.8%	0.0%	91.5%	90.3%	86.8%
Capital Expenditure												
Total Capital Programme (R'000)			12,741	14,448	18,426	45,150	45,150	45,150	–	14,652	15,539	17,090
Asset Renewal			–	–	–	13,500	13,500	13,500	13,500	500	–	–
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	29.9%	29.9%	29.9%	0.0%	3.4%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			86.6%	97.3%	54.2%	72.3%	159.4%	159.4%	0.0%	73.7%	87.3%	98.7%
Cash Coverage Ratio			0	0	0	0	0	0	–	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			1.7%	0.0%	0.0%	0.1%	0.2%	0.2%	0.0%	0.1%	0.1%	0.1%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			23,293	33,788	38,966	40,793	27,926	27,926	–	38,951	50,522	65,082
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	14.7%	13.0%	13.0%		0.0%	19.2%	18.8%
High Level Outcome of Funding Compliance												
Total Operating Revenue			33,488	38,331	45,539	55,457	56,162	56,162	–	56,640	53,365	57,501
Total Operating Expenditure			36,323	38,027	44,307	55,290	57,972	57,972	–	55,896	53,318	56,253
Surplus/(Deficit) Budgeted Operating Statement			(2,835)	304	1,232	166	(1,810)	(1,810)	–	743	47	1,248
Surplus/(Deficit) Considering Reserves and Cash Backing			23,293	33,788	38,966	40,793	27,926	27,926	–	38,951	50,522	65,082
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table 22 MBRRSA10 – Funding compliance measurement

Expenditure on grants and reconciliations of unspent funds

Table 23 MBRR SA19 - Expenditure on transfers and grant programmes

KZN215 Ezinqoleni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		28,336	32,623	38,279	49,560	49,568	49,568	50,832	48,388	52,130
Local Government Equitable Share		26,036	29,480	34,499	43,543	43,543	43,543	42,584	46,480	50,222
Finance Management		1,500	1,634	1,800	1,800	1,802	1,802	1,826	1,908	1,908
Municipal Systems Improvement		800	679	932	930	930	930			
EPWP Incentive		–	831	1,048	1,430	1,436	1,436	1,565		
Municipal D T G					1,857	1,857	1,857	4,857		
0						–	–			
Provincial Government:		546	–	798	723	810	810	738	771	810
Sport and Recreation				117						
Art and Culture		346		681	723	810	810	559	583	613
Coperate Governance and Traditional affairs		200								
Excellent Awards Grant										
Community Library Grant								179	188	197
District Municipality:		–	–	110	–	294	294	–	–	–
Disaster Management Grant				28		294	294			
LED Strategy Grant				82						
Other grant providers:		–	–	689	–	–	–	–	–	–
National Lottery Grant				689						
Total operating expenditure of Transfers and Grants		28,882	32,623	39,876	50,283	50,672	50,672	51,570	49,159	52,940
Capital expenditure of Transfers and Grants										
National Government:		14,548	12,882	13,505	14,367	14,510	14,510	13,402	14,039	14,840
Municipal Infrastructure Grant (MIG)		14,548	12,882	13,505	14,367	14,510	14,510	13,402	14,039	14,840
Excellence Award										
Provincial Government:		525	–	–	–	–	–	–	–	–
Small Town Grant and Sport and Recreation Grant		525								
District Municipality:		–	–	–	–	–	–	–	–	–
Disaster Management Grant										
Other grant providers:		–	–	–	–	1,000	1,000	–	–	–
Excellent Awards Grant						1,000	1,000			
Total capital expenditure of Transfers and Grants		15,073	12,882	13,505	14,367	15,510	15,510	13,402	14,039	14,840
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		43,955	45,505	53,380	64,650	66,182	66,182	64,972	63,198	67,780

Table 24MBRR SA 18 - Reconciliation between of transfers, grant receipts and unspent funds

KZN215 Ezinqoleni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		28,336	33,020	38,284	49,560	49,560	49,560	50,832	48,388	52,130
Local Government Equitable Share		26,036	29,480	34,499	43,543	43,543	43,543	42,584	46,480	50,222
Finance Management		1,500	1,650	1,800	1,800	1,800	1,800	1,826	1,908	1,908
Municipal Systems Improvement		800	890	932	930	930	930			
EPWP Incentive		–	1,000	1,053	1,430	1,430	1,430	1,565		
Municipal D T G		–	–		1,857	1,857	1,857	4,857		
Provincial Government:		546	784	661	723	723	723	738	771	810
Sport and Recreation			150							
Art and Culture		346		661	723	723	723	559	583	613
Coperate Governance and Traditional affairs		200	120							
Excellent Awards Grant			514					179	188	197
Community Library Grant										
District Municipality:		–	–	326	–	–	–	–	–	–
Disaster Management Grant				326						
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	28,882	33,804	39,271	50,283	50,283	50,283	51,570	49,159	52,940
<u>Capital Transfers and Grants</u>										
National Government:		13,496	13,474	14,987	14,367	14,367	14,367	13,402	14,039	14,840
Municipal Infrastructure Grant (MIG)		13,496	13,474	13,987	14,367	14,367	14,367	13,402	14,039	14,840
Excellence Award				1,000						
Provincial Government:		525	–	–	–	–	–	–	–	–
Small Town Grant and Sport and Recreation Grant		525								
District Municipality:		–	–	–	–	–	–	–	–	–
Disaster Management Grant										
Other grant providers:		–	–	–	–	–	–	–	–	–
Excellent Awards Grant										
Total Capital Transfers and Grants	5	14,021	13,474	14,987	14,367	14,367	14,367	13,402	14,039	14,840
TOTAL RECEIPTS OF TRANSFERS & GRANTS		42,903	47,278	54,258	64,650	64,650	64,650	64,972	63,198	67,780

Councillor and employee benefits

Table 25 MBRR SA22 - Summary of councillor and staff benefits

KZN215 Ezingoleni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	1	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		2,664	2,827	3,003	3,362	3,356	3,356	3,593	3,809	4,038
Pension and UIF Contributions						-	-			
Medical Aid Contributions						-	-			
Motor Vehicle Allowance						-	-			
Cellphone Allowance		150	183	290	259	259	259	164	164	164
Housing Allowances						-	-			
Other benefits and allowances					42	42	42	45	45	45
Sub Total - Councillors		2,814	3,010	3,293	3,663	3,657	3,657	3,802	4,018	4,246
% increase	4		7.0%	9.4%	11.2%	(0.2%)	-	4.0%	5.7%	5.7%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		1,305	1,815	1,725	3,152	3,152	3,152	3,391	3,595	3,810
Pension and UIF Contributions					5	5	5	6		
Medical Aid Contributions										
Overtime										
Performance Bonus				259	131	131	131	141	141	141
Motor Vehicle Allowance	3		472	448						
Cellphone Allowance	3	345								
Housing Allowances	3	244	346	315						
Other benefits and allowances	3	143	165	199	38	38	38	41	41	41
Payments in lieu of leave		65		80	69	69	69	74	74	74
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		2,103	2,798	3,026	3,395	3,395	3,395	3,653	3,850	4,066
% increase	4		33.1%	8.2%	12.2%	-	-	7.6%	5.4%	5.6%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		5,068	7,874	8,799	7,812	8,790	8,790	7,323	7,797	8,334
Pension and UIF Contributions		843	1,607	1,982	1,356	1,356	1,356	1,447	1,534	1,626
Medical Aid Contributions		297	376	579	517	517	517	549	582	617
Overtime					53	53	53	56	60	63
Performance Bonus						497	497	776	822	871
Motor Vehicle Allowance	3	388	763	440	622	622	622	671	711	754
Cellphone Allowance	3				84	84	84	89	94	100
Housing Allowances	3		408	333	32	32	32	34	36	38
Other benefits and allowances	3		95	108	88	88	88	173	184	195
Payments in lieu of leave		145	70	48	590	314	314	697	739	783
Long service awards		13	106	239	37	37	37	39	42	44
Post-retirement benefit obligations	6	433	245	146	151	151	151	161	170	181
Sub Total - Other Municipal Staff		7,186	11,544	12,675	11,341	12,540	12,540	12,014	12,769	13,604
% increase	4		60.6%	9.8%	(10.5%)	10.6%	-	(4.2%)	6.3%	6.5%
Total Parent Municipality		12,103	17,352	18,994	18,399	19,591	19,591	19,469	20,638	21,917
			43.4%	9.5%	(3.1%)	6.5%	-	(0.6%)	6.0%	6.2%

Table 26MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

[illegible]

Table 27 MBRR SA24 – SSummary of personnel numbers

KZN215 Ezinqoleni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		11	–	11	11	–	11	11	–	11
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	4	–	4	4	–	4	4	–	3
Other Managers	7	3	3	–	3	3	–	3	3	–
Professionals		27	15	5	27	15	5	19	19	–
Finance		17	7	5	17	7	5	11	11	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		7	5	–	7	5	–	5	5	–
Technicians		27	15	5	35	22	7	27	26	–
Finance		17	7	5	17	7	5	11	11	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	1	–	2	1	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		7	5	–	15	13	2	13	13	–
Clerks (Clerical and administrative)		3	3	–	3	3	–	3	3	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		6	6	–	6	5	1	6	5	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS	9	81	42	25	89	48	28	73	56	14
% increase					9.9%	14.3%	12.0%	(18.0%)	16.7%	(50.0%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

Monthly targets for revenue, expenditure and cash flow

Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN215 Ezinqoleni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue By Source																
Property rates		195	195	195	195	195	195	195	195	195	195	195	194	2,335	2,475	2,623
Property rates - penalties & collection charges														-	-	-
Service charges - electricity revenue														-	-	-
Service charges - water revenue														-	-	-
Service charges - sanitation revenue														-	-	-
Service charges - refuse revenue														-	-	-
Service charges - other														-	-	-
Rental of facilities and equipment		1	1	1	1	1	1	1	1	1	1	1		11	11	12
Interest earned - external investments		158	158	158	158	158	158	158	158	158	158	158	158	1,900	1,100	1,200
Interest earned - outstanding debtors		21	21	21	21	21	21	21	21	21	21	21	21	250	150	200
Dividends received														-	-	-
Fines														-	-	-
Licences and permits														-	-	-
Agency services														-	-	-
Transfers recognised - operational		5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	(8,152)	51,570	49,159	52,940
Other revenue		29	29	29	29	29	29	29	29	29	29	29	259	574	471	526
Gains on disposal of PPE														-	-	-
Total Revenue (excluding capital transfers and contributions)		5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	(7,520)	56,640	53,365	57,501
Expenditure By Type																
Employee related costs		1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,126	15,667	16,607	17,604
Remuneration of councillors		325	325	325	325	325	325	325	325	325	325	325	224	3,802	4,030	4,313
Debt impairment		15	15	15	15	15	15	15	15	15	15	15	417	584	619	656
Depreciation & asset impairment													11,558	11,558	12,136	12,743
Finance charges		6	6	6	6	6	6	6	6	6	6	6	6	66	73	80
Bulk purchases														-	-	-
Other materials														-	-	-
Contracted services		83	83	83	83	83	83	83	83	83	83	83	83	1,000	1,100	1,210
Transfers and grants		73	73	73	73	73	73	73	73	73	73	73	673	1,481	1,569	1,666
Other expenditure		1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,442	21,738	17,184	17,981
Loss on disposal of PPE														-	-	-
Total Expenditure		3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	15,529	55,896	53,318	56,253
Surplus/(Deficit)		2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	(23,049)	743	47	1,248
Transfers recognised - capital		1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	232	13,402	14,039	14,840
Contributions recognised - capital														-	-	-
Contributed assets														-	-	-
Surplus/(Deficit) after capital transfers & contributions		3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	(22,817)	14,145	14,086	16,088
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	(22,817)	14,145	14,086	16,088

Table 29MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN215 Ezinqoleni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue by Vote																
Executive and council				743			557		557			3,000	–	4,857	–	–
Budget and Treasury office		20,873	1,295		12,534	1,451				12,743			–	48,896	52,114	56,154
Corporate Services				110	20			5	10	110		5	230	490	265	270
Technical and community services			1,400	5,000			5,032			4,367			–	15,799	15,026	15,917
Vote 5 - [NAME OF VOTE 5]													–	–	–	–
Vote 6 - [NAME OF VOTE 6]													–	–	–	–
Vote 7 - [NAME OF VOTE 7]													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		20,873	2,695	5,853	12,554	1,451	5,589	5	567	17,220	–	3,005	230	70,042	67,404	72,341
Expenditure by Vote to be appropriated																
Executive and council		816	816	816	816	816	816	816	816	816	816	816	2,167	11,147	10,045	10,838
Budget and Treasury office		1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	2,194	23,024	21,833	24,452
Corporate Services		864	864	864	864	864	864	864	864	864	864	864	1,655	11,159	11,734	10,650
Technical and community services		880	880	880	880	880	880	880	880	880	880	880	881	10,565	9,706	10,313
Vote 5 - [NAME OF VOTE 5]													–	–	–	–
Vote 6 - [NAME OF VOTE 6]													–	–	–	–
Vote 7 - [NAME OF VOTE 7]													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Expenditure by Vote		4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,454	4,455	4,455	6,897	55,896	53,318	56,253
Surplus/(Deficit) before assoc.		16,419	(1,759)	1,399	8,099	(3,003)	1,135	(4,449)	(3,887)	12,766	(4,455)	(1,450)	(6,667)	14,146	14,086	16,088
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	16,419	(1,759)	1,399	8,099	(3,003)	1,135	(4,449)	(3,887)	12,766	(4,455)	(1,450)	(6,667)	14,146	14,086	16,088

Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN215 Ezinqoleni - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																
Governance and administration		20,873	1,295	853	12,554	1,451	557	5	567	12,853	–	3,005	230	54,243	52,379	56,424
Executive and council				743			557		557			3,000	–	4,857	–	–
Budget and treasury office		20,873	1,295		12,534	1,451				12,743			–	48,896	52,114	56,154
Corporate services				110	20			5	10	110		5	230	490	265	270
Community and public safety		–	1,400	–	–	862	–	–	–	135	–	–	–	2,397	987	1,077
Community and social services			1,400			862				135			–	2,397	987	1,077
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		–	–	5,000	–	–	5,000	–	–	3,402	–	–	–	13,402	14,039	14,840
Planning and development													–	–	–	–
Road transport				5,000			5,000			3,402			–	13,402	14,039	14,840
Environmental protection													–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Electricity													–	–	–	–
Water													–	–	–	–
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Revenue - Standard		20,873	2,695	5,853	12,554	2,313	5,557	5	567	16,390	–	3,005	230	70,042	67,404	72,341
Expenditure - Standard																
Governance and administration		4,019	4,019	4,019	4,019	4,019	4,019	4,019	4,019	4,019	4,020	4,020	5,111	49,327	48,296	50,917
Executive and council		816	816	816	816	816	816	816	816	816	816	816	816	9,796	10,045	10,838
Budget and treasury office		1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	1,894	2,194	23,024	21,833	24,452
Corporate services		1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	2,101	16,506	16,417	15,627
Community and public safety		328	378	328	378	328	428	378	328	353	328	353	328	4,238	2,553	2,770
Community and social services		291	291	291	291	291	291	291	291	291	291	291	291	3,488	2,223	2,407
Sport and recreation		38	38	38	38	38	38	38	38	38	38	38	38	450	–	–
Public safety			50		50		100	50		25		25	–	300	330	363
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		350	50	50	400	50	25	375	25	15	100	50	110	1,600	1,725	1,808
Planning and development		50	50	50	100	50	25	25	25	15	100	50	110	650	825	908
Road transport		300			300			350					–	950	900	900
Environmental protection													–	–	–	–
Trading services		50	50	50	50	50	50	50	50	50	100	25	25	600	600	600
Electricity													–	–	–	–
Water													–	–	–	–
Waste water management													–	–	–	–
Waste management		50	50	50	50	50	50	50	50	50	100	25	25	600	600	600
Other													131	131	144	159
Total Expenditure - Standard		4,748	4,498	4,448	4,848	4,448	4,523	4,823	4,423	4,438	4,548	4,448	5,705	55,896	53,318	56,253
March 2015																
Surplus/(Deficit) before assoc.		16,125	(1,803)	1,405	7,706	(2,135)	1,034	(4,818)	(3,856)	11,952	(4,548)	(1,443)	(5,475)	14,146	14,086	16,088
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	16,125	(1,803)	1,405	7,706	(2,135)	1,034	(4,818)	(3,856)	11,952	(4,548)	(1,443)	(5,475)	14,146	14,086	16,088

KZN215 Ezinqoleni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Multi-year expenditure to be appropriated	1															
Executive and council													-	-	-	-
Budget and Treasury office													-	-	-	-
Corporate Services													-	-	-	-
Technical and community services													-	-	-	-
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Executive and council			100	500	150								-	750	500	750
Budget and Treasury office		40		45			150			15			-	250	500	750
Corporate Services		100				100			50				-	250	500	750
Technical and community services		1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,430	(1)	13,402	14,039	14,840
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	1,337	1,297	1,742	1,347	1,297	1,347	1,197	1,247	1,212	1,197	1,430	(1)	14,652	15,539	17,090
Total Capital Expenditure	2	1,337	1,297	1,742	1,347	1,297	1,347	1,197	1,247	1,212	1,197	1,430	(1)	14,652	15,539	17,090

Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN215 Ezinqoleni - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
Governance and administration		500	100	50	100	500	-	-	-	-	-	-	-	1,250	1,500	2,250
Executive and council		100		50	100	500								750	500	750
Budget and treasury office		150	100											250	500	750
Corporate services		250												250	500	750
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services														-	-	-
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		5,000	2,000	-	1,500	4,535	-	-	-	-	367	-	-	13,402	14,039	14,840
Planning and development		5,000				4,535					367			9,902	10,000	10,500
Road transport			2,000		1,500									3,500	4,039	4,340
Environmental protection														-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity														-	-	-
Water														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Capital Expenditure - Standard	2	5,500	2,100	50	1,600	5,035	-	-	-	-	367	-	-	14,652	15,539	17,090
Funded by:																
National Government			5,000				5,000			3,402			-	13,402	14,039	14,840
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		-	5,000	-	-	-	5,000	-	-	3,402	-	-	-	13,402	14,039	14,840
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds												1,250	-	1,250	1,500	2,250
Total Capital Funding		-	5,000	-	-	-	5,000	-	-	3,402	-	1,250	-	14,652	15,539	17,090

Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Table 33 MBRR SA30 - Budgeted monthly cash flow

KZN215 Ezinqoleni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	175	175	175	175	175	175	175	175	100	100	100	51	1,751	2,189	2,736
Property rates - penalties & collection charges												-			
Service charges - electricity revenue												-			
Service charges - water revenue												-			
Service charges - sanitation revenue												-			
Service charges - refuse revenue												-			
Service charges - other												-			
Rental of facilities and equipment	1	1	1	2	1	1	1	1	1	1	1	1	11	11	12
Interest earned - external investments	158	158	158	158	158	158	158	158	158	158	158	162	1,900	1,100	1,200
Interest earned - outstanding debtors	21	21	21	21	21	21	21	21	10	10	10	(9)	188	113	150
Dividends received												-			
Fines												-			
Licences and permits												-			
Agency services												-			
Transfer receipts - operational	4,192	4,192	4,192	4,192	4,192	4,192	4,192	4,192	4,192	4,192	4,192	5,464	51,570	49,159	52,940
Other revenue	29	29	29	29	29	29	29	29	29	29	29	259	574	511	571
Cash Receipts by Source	4,575	4,575	4,575	4,576	4,575	4,575	4,575	4,575	4,489	4,489	4,489	5,927	55,993	53,082	57,608
Other Cash Flows by Source															
Transfer receipts - capital		5,000				5,000			3,402			-	13,402	14,039	14,840
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	4,575	9,575	4,575	4,576	4,575	9,575	4,575	4,575	7,891	4,489	4,489	5,927	69,395	67,121	72,448
Cash Payments by Type															
Employee related costs	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,322	1,127	15,667	16,566	17,560
Remuneration of councillors	325	325	325	325	325	325	325	325	325	325	325	223	3,802	4,030	4,313
Finance charges	6	6	6	6	6	6	6	6	6	6	6	6	66	73	80
Bulk purchases - Electricity												-			
Bulk purchases - Water & Sewer												-			
Other materials												-			
Contracted services	100	100	100	100	100	100	100	100	100	50	25	25	1,000	1,100	1,210
Transfers and grants - other municipalities												-			
Transfers and grants - other			131									1,350	1,481	1,569	1,666
Other expenditure	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	22,140	17,644	18,461
Cash Payments by Type	3,598	3,598	3,729	3,598	3,598	3,598	3,598	3,598	3,598	3,548	3,523	4,576	44,157	40,982	43,290
Other Cash Flows/Payments by Type															
Capital assets	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,679	14,652	15,539	17,090
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	4,777	4,777	4,908	4,777	4,777	4,777	4,777	4,777	4,777	4,727	4,702	6,255	58,809	56,521	60,380
NET INCREASE/(DECREASE) IN CASH HELD	(202)	4,798	(333)	(202)	(203)	4,797	(203)	(202)	3,114	(238)	(213)	(328)	10,586	10,600	12,069
Cash/cash equivalents at the month/year begin:	23,513	23,311	28,109	27,776	27,574	27,371	32,169	31,966	31,764	34,878	34,640	34,427	23,513	34,099	44,700
Cash/cash equivalents at the month/year end:	23,311	28,109	27,776	27,574	27,371	32,169	31,966	31,764	34,878	34,640	34,427	34,099	34,099	44,700	56,768

Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and Draftly on the repair and maintenance of assets.

Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN215 Ezinqoleni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	6,900	6,900	6,900	500	-	-
Infrastructure - Road transport		-	-	-	6,900	6,900	6,900	-	-	-
Roads, Pavements & Bridges					6,900	6,900	6,900			
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	500	-	-
Waste Management										
Transportation	2									
Gas										
Other	3							500		
Community		-	-	-	6,600	6,600	6,600	-	-	-
Parks & gardens										
Sportsfields & stadia					1,600	1,600	1,600			
Swimming pools										
Community halls					5,000	5,000	5,000			
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	72
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing	1	-	-	-	13,500	13,500	13,500	500	-	-

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100	100

Table 36MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN215 Ezinqoleni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand											
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	360	732	889	1,100	1,000	1,000	1,600	1,700	1,750	
Infrastructure - Road transport		360	732	877	900	900	900	1,300	1,350	1,350	
Roads, Pavements & Bridges		360	732	877	900	900	900	1,300	1,350	1,350	
Storm water											
Infrastructure - Electricity		-	-	13	200	100	100	300	350	400	
Generation											
Transmission & Reticulation											
Street Lighting				13	200	100	100	300	350	400	
Infrastructure - Water		-	-	-	-	-	-	-	-	-	
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation											
Sewerage purification											
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management											
Transportation											
Gas											
Other											
Community		3	-	-	157	1,000	750	750	1,200	1,300	1,400
Parks & gardens		7									
Sportsfields & stadia					153	400	400	400	550	600	650
Swimming pools											
Community halls					4	600	350	350	650	700	750
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings											
Other											
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	-	-	391	800	850	850	1,085	1,250	1,430	
General vehicles				135	200	200	200	320	350	380	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment				160	150	150	150	150	200	250	
Computers - hardware/equipment		2		100	100	100	100	100	150	200	
Furniture and other office equipment		16		100	100	100	100	265	300	350	
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings				78	250	300	300	250	250	250	
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
March 2015		-	-	-	-	-	-	-	-	-	
Modifiable assets											
List sub-class											
										75	
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	360	732	1,438	2,900	2,600	2,600	3,885	4,250	4,580	

KZN215 Ezinqoleni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		5,430	–	6,045	4,341	4,591	4,591	5,000	5,028	4,550
Infrastructure - Road transport		5,430	–	6,045	4,341	4,591	4,591	5,000	5,028	4,550
Roads, Pavements & Bridges		5,430		6,045	4,341	4,591	4,591	5,000	5,028	4,550
Storm water										
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management										
Transportation										
Gas										
Other										
Community		1,550	–	2,600	4,351	4,601	4,601	4,889	5,241	6,104
Parks & gardens					114	114	114			
Sportsfields & stadia		758		2,600	2,346	2,496	2,496	2,746	3,020	3,323
Swimming pools										
Community halls		679			1,406	1,506	1,506	1,656	1,700	2,226
Libraries		113			486	486	486	487	521	556
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other										
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		127	–	773	1,519	1,519	1,519	1,541	1,725	1,933
General vehicles		127		207	269	269	269	300	360	432
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment				169	413	413	413	455	500	550
Computers - hardware/equipment				187	362	362	362	398	438	481
Furniture and other office equipment				210	362	362	362	388	427	469
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)					114	114	114			
Other										
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
March 2015		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	75	124	124	124	129	142	156
Computers - software & programming				75	124	124	124	129	142	156
Other (list sub-class)										
Total Depreciation	1	7,107	–	9,493	10,336	10,836	10,836	11,558	12,136	12,743

Table 37 MBRR SA35 - Future financial implications of the capital budget

KZN215 Ezinqoleni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Executive and council		750	500	750				
Budget and Treasury office		250	500	750				
Corporate Services		250	500	750				
Technical and community services		13,402	14,039	14,840				
Vote 5 - [NAME OF VOTE 5]		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		14,652	15,539	17,090	-	-	-	-

KZN215 Ezingqoleni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Executive and council		750	500	750				
Budget and Treasury office		250	500	750				
Corporate Services		250	500	750				
Technical and community services		13,402	14,039	14,840				
Vote 5 - [NAME OF VOTE 5]		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		14,652	15,539	17,090	-	-	-	-
Future operational costs by vote	2							
Executive and council								
Budget and Treasury office								
Corporate Services								
Technical and community services								
Vote 5 - [NAME OF VOTE 5]								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		14,652	15,539	17,090	-	-	-	-

Table 38MBRR SA36 - Detailed capital budget per municipal vote

KZN215 Ezinqoleni - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Technical Services		Ngcobo to Gambushe Access Road			Yes	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>		9 months			3,500	15,539	17,090	Ward 02	new
Technical Services		A B Gigaba MPCC			Yes	<i>Community</i>	<i>Community halls</i>		9 months			5,447			Ward 01	new
Technical Services		Sididini Community Hall			Yes	<i>Community</i>	<i>Community halls</i>		9 months			4,455			Ward 02	new
Corporate Services		Office equipment			Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>		1 month			250				new
Corporate Services		vehicle			Yes	<i>Other Assets</i>	<i>General vehicles</i>		1 month			250				new
Municipal Manages		office furniture and computers			Yes	<i>Other Assets</i>	<i>Computers - hardware/equipment</i>		1 month			250				new
Municipal Manages		Renovations of HCM Council Chamber					<i>Other Buildings</i>		2 months			500				renewal
Parent Capital expenditure	1											14,652	15,539	17,090		

Table 39MBRR SA37 - Projects delayed from previous financial year

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days).
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns four have been appointed permanently. The remaining two are still under the training and municipality has an obligation to replace the vacant positions of the three interns.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee is shared with other municipalities within the district and is fully functional.
5. Service Delivery and Implementation Plan
The detail 2016/17 draft SDBIP document will be Draftized and will be tabled before council.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

Other supporting documents:

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

[illegible]

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

<u>Contributions recognised - capital</u>											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	
<u>Depreciation & asset impairment</u>											
Depreciation of Property , Plant & Equipment		11,416	8,637	10,361	10,395	10,895	10,895	11,558	12,136	12,743	
Lease amortisation											
Capital asset impairment			631								
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	10 1	11,416	9,268	10,361	10,395	10,895	10,895	-	11,558	12,136	12,743
<u>Bulk purchases</u>											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	
<u>Transfers and grants</u>											
Cash transfers and grants		784	993	1,360	910	1,700	1,700	-	1,481	1,569	1,666
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	784	993	1,360	910	1,700	1,700	-	1,481	1,569	1,666
<u>Contracted services</u>											
Insurance		178	173	318	400	400	400	500	550	605	
Security Services		269	249	573	858	758	758	500	550	605	
Hygiene Services			-								
Rental of Office Equipment		42	4	39							
Internet Fees			-								
Repairs and Maintenance		360	732								
Operating Lease		42	39								

